

June 25, 2007

**City of Milton-Freewater
City Council Minutes**

The Council of the City of Milton-Freewater met in regular session Monday, June 25, 2007 at 7:00 p.m. in the Albee Room of the Library.

The following members were present: Mayor Lewis Key, Councilors Orrin Lyon, Keith Woods, Debbie Kelley, Steve Irving and Brad Humbert. Councilor Ed Chesnut was out-of-town.

Staff members present were City Manager Delphine Palmer, Assistant City Manager Linda Hall, Electric Superintendent Mike Charlo, Project Manager Howard Moss, Public Works Superintendent Dave Bradshaw, Finance Director Dave Richmond, Library Director Bob Jones and Fire Chief Shane Garner.

Citizens present were Wes Koklich and Pat Thomson.

Press member present was Melanie Hall of the Valley Herald.

PRESENTATION & INTRODUCTION Pioneer Posse Court Thanking the Council for Sponsorship. Christine Wallace, Advisor/Chaperone for the Pioneer Posse Court, introduced the 2007 Pioneer Posse Court to the Council. Queen Megan Choate, Princess Ashley Cutlip and Princess Holly LeFore. Queen Choate said how much it had been an honor for the court to represent the City of Milton-Freewater and Pioneer Posse, and also thanked the Council for their financial donation and support. This support helped the Pioneer Posse Court to travel around the northwest, representing the City. Queen Choate and her court, gave their speeches that are given at their appearances throughout the northwest. The court also gave the Council official badges to declare their Honorary Pioneer Posse membership.

CONSENT CALENDAR ITEMS: The consent calendar items consisted of minutes from the June 11, 2007 city council meeting and RESOLUTION NO. 2049 To Authorize Signature to Amendment of Labor Agreement with Umatilla County Corrections. Councilor Kelley motioned to adopt the consent calendar items. Councilor Woods seconded the motion which passed unanimously.

NEW BUSINESS

PRESENTATION EXPLAINING SIDEWALK ABATEMENT PROGRAM AND ORDINANCE NO. 944 AMENDING CITY CODE SECTION 5-2-5 REGARDING SIDEWALK ABATEMENT NOTIFICATION. Project Manager Howard Moss said he was before the Council to review and answer questions regarding the City's sidewalk maintenance program as outlined in the city code. Repair and maintenance of sidewalks are the responsibility of the adjacent property owner, except in the cases where the City is the abutting property owner. The program calls for an inspection which Mr. Moss said he had completed city-wide in the early spring of this year. As mentioned in the fact sheet, it is common for property owners to repair their sidewalks to the condition that it meets standard at the time the inspection occurs with patching, which is not the best, but is all the City can enforce. Mr. Moss said he found 176 violations city-wide including missing

sidewalks, encroachment of shrubbery, vision clearance area and similar opportunities to eliminate possible hazards. Of the 176 violations, there are 24 locations the City should be responsible, which is when there is a sidewalk on either side of a given alley and either the sidewalk is broken by the refuse truck in the alley or the sidewalk does not exist. Mr. Moss said he has reviewed this with Public Works Superintendent Dave Bradshaw and if Council approves the program, these sidewalk issues will be addressed. These sidewalk issues were not unknown as staff has worked on sidewalk issues for many years.

Also included in the recommendation is the elimination of the requirement to send a certified letter as notification to the property owner. This would be a cost saving measure for administrative purposes. The plan would be to send notifications via regular mail or via hand delivery. If the letters are returned then the property could be posted in a fashion that would make it legal to perhaps repair the sidewalk. Having experienced this previously, Mr. Moss said he thought it possible to deal with approximately 50 that will not want to do this, 25 that will not respond, and eventually in very late fall, city staff or contractors will complete the balance of the work.

Councilor Kelley said she knew the cost saving of eliminating certified letters has been discussed, but added another way to save would be to send these notifications out in the utility bills reasoning that if the individual paid that month's bill, they would have received the notification. Mr. Moss said he did not know how easy it would be to manipulate individual instructions on the utility bills. Councilor Kelley said she did not mean to write individual instructions on the utility bill, but to include the letter as an insert for the property owners. Finance Director Dave Richmond said this could be done if it is known which billing cycle for the property owners to be notified. Mr. Moss said there are a number of absentee property owners that are not part of the City's utility lines, but this process could get notification to property owners that are using city utilities.

Mr. Moss said the ordinance is designed that following thirty days of receiving the notice, the process begins.

Councilor Woods questioned if the thirty days was enough notice when property owners inspected their sidewalk, secured a contractor and then had to wait for the contractor to actually get the work done. Mr. Moss said most property owners will do the work themselves. If correction work can be done within a twenty-four hour period, without extending through a weekend with exposed rebar, the property owner can do this without notification according to code. For better or worse, the methodology most used is patching. Mr. Moss stated that he felt thirty days was a fair notice, especially recognizing that while going through the notification process, the time would probably extend to about sixty days. Even after notification, property owners would probably have another fifteen days to comply.

Councilor Humbert asked when the notices would go out. Mr. Moss said he had planned, if Council approved, to go out with notices the week of July 10, 2007. Councilor Humbert said his concern was for property owners to receive notice before the possibility of bad weather.

Councilor Kelley moved Ordinance No. 944, be introduced by title only and full reading waived. Councilor Humbert seconded and a roll call vote was taken: Councilor Lyon, yea, Councilor Woods, yea, Councilor Kelley, yea, Councilor Irving, yea, and Councilor Humbert, yea. Motion carried unanimously. The City Manager then read the ordinance by title only. Councilor Kelley moved for second reading of Ordinance No. 944 be by title only and full reading waived. Councilor Lyon seconded and the motion carried unanimously. The City Manager read the ordinance by title only. Councilor Kelley moved to adopt Ordinance No. 944. Councilor Lyon seconded and a roll call vote was taken: Councilor Lyon, yea, Councilor Woods, yea, Councilor Kelley, yea, Councilor Irving, yea, and Councilor Humbert, yea.

RESOLUTION NO. 2050 AMEND GOLF COURSE RATES. Public Works

Superintendent Dave Bradshaw stated that at the beginning of the budget process, it was discovered that golf course revenues were not keeping up with expenses. It was decided then to propose a rate increase. It was then discussed with the Recreation Committee to have their input. It is the Recreation Committee's recommendation that is brought before the Council this evening. Included in the fact sheet is a rate comparison. The proposed rate is a 10% increase across the board. Mr. Bradshaw stated that by increasing the rates, the golf course would then be able to meet their expenses, and increasing rates will help offset cost-of-living increases.

Councilor Woods said he noticed in the fact sheet that play has been down. Is that possibly because the restaurant has been closed? Mr. Bradshaw said that total play is comparable to other season pass holders, but added that the restaurant could have had an impact on golf course revenues.

Councilor Humbert said that daily play was down and asked what was the reasoning for that decline? Mr. Bradshaw said Golf Pro Manager George Gillette had given him a chart that compared information throughout the area and the decline is consistent with other areas too. The other issue is that pass purchases are up since this is such a good price when comparing to other courses. We also have several types of passes. Councilor Humbert asked what was being done to increase play. Are there any specials or advertising? Mr. Bradshaw said last year there were several spot ads, but did not see an increase in play. Mr. Bradshaw he had spoken earlier to City Manager Delphine Palmer and discussed possibilities to promote the golf course with specials. Councilor Humbert said he thought the way to bring the golf course budget into balance is to increase play, not increase rates as increasing rates may cause play to decline further. Mr. Bradshaw said there may be a decline, but the proposed rates are still lower than competing courses, except for the course in Touchet, Washington. Councilor Humbert stated that the proposed rate increase is within \$5.50 of the Veteran's Golf Course in Walla Walla and the Veteran's course is twice the course. Assistant City Manager Linda Hall said there was a significant difference in the pass rates between the City and Veteran courses. Councilor Humbert said the pass play is up, but the problem is with daily play. Mayor Key asked if Mr. Bradshaw knew how many patrons had an annual pass or six-month pass. Mr. Bradshaw did not have that information with him. Mayor Key stated that a patron had discussed this with him and he purchases the six-month pass, so this would be an increase as apposed to purchasing an annual pass. Mr. Bradshaw said that most patrons purchase six-month passes, but some of the snowbirds purchase monthly passes.

Councilor Kelley said the Milton-Freewater golf course has more options for patrons to participate compared to all other entities in the area, and also said she did not believe it made a difference as to whether the City's golf course is an executive course or not, it is still an interesting course and still has to pay for itself. City staff has tried different types of advertising over the years and did not know how effective advertising is unless advertising may be done in conjunction with the restaurant so everyone knows all the facilities are operating now.

Councilor Irving asked if Mr. Bradshaw could give some perspective on what the effect of not having the restaurant open. Mr. Bradshaw said he did not think the restaurant has been closed consistently enough to offer that much data. If the restaurant had been closed for more than a year, there may have been enough data to compare. Mr. Bradshaw said he knew that having a successful restaurant open increases play, but then there is an increase in play nationwide, so it is difficult to measure exact cause and effect.

Mr. Bradshaw said "two-for one" deals to enhance daily fees is good, but still believes the rates need to increase. Councilor Irving said he would like to see something like 10% off golf fees if includes lunch in the restaurant, or vice versa. Councilor Humbert said that if he wanted to purchase an annual pass, he would choose Walla Walla at \$1320 annually versus Milton-Freewater at \$1325 annually.

Councilor Kelley said that another difference between the Veteran's course and Milton-Freewater is the City's course is open Sunday through Saturday, and the Veteran course is only Monday through Thursday. Councilor Humbert said if it is a tournament they have to pay extra, but if it is open golf patrons can use their season pass. Mr. Bradshaw said this is an option to charge extra for tournaments as this seems to be common at many golf courses, but our course fees have never included extra fees for tournaments. Councilor Humbert clarified the process saying that the only time patrons are not allowed to use their season pass is if there is a tournament or special event. If there is a tournament, patrons pay the greens fee and tournament fee. Even if patrons do not participate in the tournament, but want to play outside the tournament, patrons are still required to pay the extra fees for the day. But if the day is open golf, season passes may be used. Mr. Bradshaw said there were not enough tournaments to make a difference in revenues, but it would help.

Councilor Kelley asked if the rate resolution could be amended to include tournament fees. Assistant City Manager Linda Hall said this could be done with an asterisk and notation at the bottom of the resolution.

Councilor Humbert said from a golfer's point of view, he would drive to Walla Walla if he used daily passes, and would drive to Pendleton if he used a season pass.

A discussion ensued.

City Manager Delphine Palmer said that while discussing this issue about a year ago it was realized that Walla Walla had developed a 3% increase annually so rates did not have to be discussed so often. The City spends so much time discussing the golf course, and when equipment, wages and maintenance is reviewed, the 3% just covers additional annual costs.

Councilor Irving said Walla Walla uses Seattle's annual CPI (Consumer Price Index). Councilor Humbert said the 3% was negotiated as a maximum of 3% to control rate increases. Councilor Irving said he had one citizen and one co-worker say that they did not oppose the rate increase, but would like to see consideration by city staff to use our local golf course, parks and recreation, and maybe other businesses in the community before going outside for purchases—shop Milton-Freewater first. Councilor Irving said he would like to see the 3% annual increase along with the tournament and special event fee, but not the 10%.

Councilor Kelley motioned to adopt Resolution No. 2050 Amending Golf Course Rates and amend the proposed resolution to include a tournament fee. Councilor Lyon seconded. Councilor Woods asked for clarification. Ms. Hall said she thought the motion adopted the Resolution 2050 which amends the golf course rates as proposed and also implements a new policy of requiring fees to be paid for all tournaments, whether or not a patron is a season pass holder, and also includes a provision that the rates increase at a maximum of 3% annually. Councilor Lyon, yea, Councilor Woods, nay, Councilor Kelley, yea, Councilor Irving nay, Councilor Humbert, nay. Motion fails 3 to 2.

Councilor Kelley asked how the golf course would continue to be funded. Councilor Irving stated he would be agreeable to a 3% increase effective this year and 3% increase annually after that along with the provision that season pass holders pay greens fees for tournaments.

Councilor Irving motioned to adopt Resolution No. 2050 Amending Golf Course Rates and amend the proposed resolution to reflect a 3% increase for this year, FY2008, rather than the 10% proposed, increase rates 3% annually, and also implement a new policy that implements the requirement of green fees to be paid for all tournaments, whether or not a patron is a season pass holder. Councilor Woods seconded. Councilor Humbert, nay, Councilor Irving, yea, Councilor Kelley, yea, Councilor Woods, yea, Councilor Lyon, yea. Motion passed 4 to 1.

RESOLUTION NO. 2051 TRANSFER FUNDS DUE TO UNPLANNED

EXPENDITURES. Finance Director Dave Richmond said throughout the year the budget is reviewed to assure that no area will be overspent according to Oregon Budget Law. Mr. Richmond said there were a few fixes before the Council. The warehouse inventory expenses need to be increased by \$48,000 due to purchases in preparation for subdivision. The library is \$1,500 for books, \$500 operating supplies, \$500 communication, \$500 memberships & dues and \$5,000 contingency.

Councilor Kelley asked if the library expenses were in addition to the past year's budget. Mr. Richmond said this was correct—this is basically taking money out of the general fund contingency and placing them in the library contingency. Councilor Kelley said she was concerned that this was done every year in the library. Mr. Richmond said that hopefully in the next fiscal year this will not be necessary as transfers from the general fund have been increased for the library. Councilor Kelley asked if revenues were received differently for the library than before. Library Director Bob Jones stated we were a victim of our own success due to the increase use of the library causing the cost of supplies to

process and circulate materials to increase. Mr. Richmond said that a grant, Yancey Trust, which the library normally receives in the amount of \$3,500 was not received this year.

Councilor Kelley motioned to adopt Resolution No. 2051, resolution to transfer funds due to unplanned expenditures and revenues. Councilor Humbert seconded the motion which passed unanimously.

PUBLIC HEARING AND RESOLUTION NO. 2052 ACCEPTING STATE REVENUE SHARING FUNDS,

Mayor Key opened the hearing and summarized the rules for Public Hearing.

Mayor Key asked if any member of the Council would abstain due to exparte contact. There were none.

Mayor Key asked if there were any citizens that challenged council member participation. There were none.

Mayor Key asked if notice of the public hearing was published as required by law. Assistant City Manager Linda Hall stated this had been done. Mayor Key asked if there were any written comments. Ms. Hall said there were none.

Assistant City Manager Linda Hall stated that by Oregon State Statute to receive State Revenue Sharing, the City must have a public hearing and it is estimated to receive during the next fiscal year, \$46,500 of state revenue sharing funds and are proposing those funds for public safety purposes into the general fund.

Mayor Key asked if there were any citizen comments. There were none.

Assistant City Manager Linda Hall said there were two requirements, one which is the hosting of two public hearings, the budget committee hearing and one before the Council at its final budget adoption meeting. Staff is required to name to the public what is proposed to do with the funds. Staff turns the revenues back into the general fund and those funds would be allocated to the police department as that is the largest portion of the general fund. Councilor Lyon clarified saying the funds go to the police department, but the funds are termed "public safety." Ms. Hall stated that was correct. Councilor Lyon asked if this was in compliance with the state. Ms. Hall stated this was. Councilor Humbert asked if all of the \$46,500 is used by the police department. Can the fire department use any of these funds? Ms. Hall stated that when general fund revenues are received, it is not allocated specifically, but instead goes into a general "pot". During the budget process it is determined how much goes into the general "pot" then budget hearings are held with City Manager Delphine Palmer and Finance Director Dave Richmond where the department heads make a bid for their share of the general "pot". Councilor Humbert then said that before the money is distributed, the Council will know what it is used for. Ms. Hall said this was correct.

Councilor Woods asked what the source of these funds were. Finance Director Dave Richmond stated Oregon State Revenue Sharing prorates these funds annually back to cities according to population provided by Portland State University's estimates.

Mayor Key declared the hearing closed.

Councilor Kelley motioned to adopt Resolution No. 2052 to accept Oregon State Revenue Shares in the amount of \$46,500. Councilor Humbert seconded the motion which motion passed unanimously.

PUBLIC HEARING AND RESOLUTION NO. 2053 ADOPTING FY2008 BUDGET.

Mayor Key opened the hearing and summarized the rules for Public Hearing.

Mayor Key asked if notice of the public hearing was published as required by law. Assistant City Manager Linda Hall stated this had been done. Mayor Key asked if there were any written comments. Ms. Hall said there were none.

Finance Director Dave Richmond stated that each year before July 1st the City presents to the Council a budget that has been amended and approved by the budget committee which members in addition to the Council are Jennifer Riley, Chair, Marge Roff, Myra Sherwin and Wes Koklich. Mr. Richmond thanked all of them for their time and consideration of the budget. Early in the year, department heads meet with City Manager Delphine Palmer, Assistant City Manager Linda Hall and Mr. Richmond. Mr. Richmond said that before these meetings began, Ms. Palmer said she wanted no more than a 3% increase in the FY2008 Budget. The total budget this year is actually less than a 1% increase compared to last year, but then \$750,000 was added when Ms. Hall did a lot of work on the Community Development Block Grant (CDBG), which was approved and will be in the budget to be administered next year. The budget committee made a motion to approve the budget and levy taxes at the rate of \$3.7499 per \$1,000 assessed value. There is also a \$60,000 Local Option Tax for senior transportation, and \$109,335 for bonded debt. The total budget is \$22,552,006.00.

Mayor Key asked if there were any citizen comments. There were none.

Mayor Key asked if there were any comments or concerns from the Council. There were none.

Mayor Key declared the hearing closed.

Councilor Kelley motioned to adopt Resolution No. 2053 adopting the budget for the 2007-2008 fiscal year in the sum of \$22,552,006, levy taxes at the rate of \$3.7499 per \$1,000 of assessed value for operations, \$60,000 Local Option Tax for senior transportation and in the sum of \$109,335 for Bonded Debt, and make appropriations as listed on Resolution No. 2053. Councilor Lyon seconded the motion which motion passed unanimously.

Mayor Key announced this was the opportunity for citizens to approach the Council with issues not on this agenda. There were none.

COUNCIL ANNOUNCEMENTS

Councilor Irving announced that the Logs to Frogs event was only 3½ weeks away, planning is going well, sponsors are on board, and press releases are out so look for a lot of tourism throughout the valley at that time and hopefully the event will be a big success. There are nine carvers signed up. At this time last year there were zero carvers signed up.

Councilor Woods announced that the Highway 11 Corridor meeting was postponed. Mayor Key said that some members were not notified of the meeting cancellation.

There being no further City business, the meeting adjourned to a URA Session at 8:00 p.m.

Lewis S. Key, Mayor